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November 14, 1958

MEMORANDUM FOR THE GENERAL MANAGER:

Reference page 18, paragraph 39 of the Quarterly Report to the Joint Committee, it states: "Contract negotiations were started by the Maritime Administration and the AEC with States Marine Lines to serve as general operating agent of the Savannah"

This is not in accordance with my understanding and not in accordance with letters written by me to Chairman Durham and others in which I stated that AEC was not involved in the States Marine operating contract except that we offered no objection to the selection of States Marine Lines by the Department of Commerce.

This information was given to me by staff and used in the preparation of the letters. This matter is of critical importance to me and to AEC because of the charge by the Chairman of the House Merchant Marine and Fisheries Committee that the States Marine contract was given to them at my direction because of my past business affiliations with States Marine. I suggest that the report be corrected, or if I was misinformed by the staff concerning AEC's participation, I would like to correct the record with Chairman Durham or rearrange the AEC's participation in this contract negotiation.

/s/ John A. McCone
Chairman

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